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ABSTRACT

This paper examines the problem of experience level versus compensation level of college faculty via a study of 129 faculty members at Ashland University (Ohio). It presents the procedures that were used to identify faculty salary compression (in which new faculty may be paid more at equal or higher levels than existing senior faculty) at the school. It also discusses the compensation program (the Faculty Consistency Pay Program) designed and implemented at the university to (1) close the gap between the average salaries of the Ashland faculty and that of faculty at comparable universities, and (2) financially reward senior faculty for years of service to the university. An example of the procedure used in the new compensation program to determine the salary received by each faculty member is provided. The impact of the program on salary compression at the university is analyzed, and the results of a survey of faculty and Dean perceptions of the program are reviewed. Overall, the study shows that salary compression at the school did exist and that the program developed to change this condition is viewed by faculty and the Deans as fair and objective. Contains 10 references and 6 tables. (GLR)

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A Faculty Consistency Pay Program

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Ashland University

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Running head: CONSISTENCY PAY PROGRAM

Abstract

This paper presents the procedures that were used to identify faculty salary compression, as well as, a discussion of the compensation program that was designed and implemented at a university to reduce the degree of salary compression. An example of the procedure used in the compensation program to determine the amount of money received by each faculty member is provided. The impact of the program on salary compression at the university is analyzed, and the results of a survey of faculty and Dean perceptions of the program are reviewed.

A Faculty Consistency Pay Program

Many university administrators are confronted with the situation of hiring new faculty at salary levels that are equal to or higher than the pay levels of the senior faculty members. This salary condition, which is often referred to as salary compression, may result in more than just tension between junior and senior faculty members. It may even result in the filing of an age-bias grievance. One such grievance was filed by eight professors of Florida International University who argued that its policy of paying some junior professors more than the senior professors amounted to age discrimination (Mooney, 1991).

Although salary compression in academics is not a new phenomenon, it has been exacerbated during the last 10 years due to market demands in certain fields (Blum, 1989). A survey of 500 business schools, which was conducted by the American Assembly of Collegiate Schools of Business (1990), indicated that in almost every business discipline many institutions paid higher salaries to new faculty than to faculty with more seniority.

Salary compression in academics can lead to one of two employment conditions for faculty. They can either play the game of musical chairs, i.e., they can seek employment at other universities to increase their salaries; or they may be willing to receive less pay in order to remain and work at the same university.

Lois Defleur used the phrase "loyalty tax" to describe the cost incurred by the faculty who remain at the same university for many years (Blum, 1989). As

discussed by Botsch and Folsom (1989), this built-in loyalty tax penalty will be the greatest in the academic fields with the highest demand for faculty. The continuation of this salary condition is undesirable for a university that wants to minimize faculty turnover. The faculty who do leave the university will tend to be those who are the most difficult to replace. That is, they will be the meritorious faculty in the high demand fields.

McCulley and Downey (1993) echoed this view in their study of salary compression when they stated that:

> One implication of this finding is that organizations need to be aware of potential salary compression and to take steps to correct these problems if they wish to keep valued employees. Current procedures set up a system where valued employees' compensation is being adversely affected by their dedication and commitment to the organization. (p. 85)

In light of the possible impacts of salary compression, it would behoove any university administration and faculty to address this issue.

Snyder, McLaughlin, and Montgomery (1992) stated that "when dealing with salary compression, two issues must be addressed: (1) how to diagnose salary compression and (2) how to deal with salary compression once it is found" (p. 116). Thus, the Faculty Welfare Committee of Ashland University undertook the task of determining whether salary compression was a problem at the university, and if

necessary, design a program that would address the salary compression problem.

The following sections of this paper present the results of the committee's investigation of salary compression at the university and the Faculty Consistency Pay Program that was designed and implemented to deal with the salary compression. In addition, the impact of the Faculty Consistency Pay Program on salary compression and the faculty perceptions of the program are presented.

Verifying the Existence of Salary Compression

The first task that the Faculty Welfare Committee faced was to verify that salary compression did in fact exist. Utilizing the article by Blum (1989), the committee viewed salary compression to be a situation in which a university is pressured by the academic job market to pay competitive salaries to new faculty members and not have enough money available to reward equally its veteran faculty members.

The committee assumed that if salary compression was present at the university, four conditions would exist. First, salary increases at the university would not have kept pace with the increases given to professors nationwide. Second, the relationship between faculty professional maturity, that is, years of teaching experience, would not be as strongly positively related to salary levels as it would be in the absence of salary compression. Third, the university faculty salaries would fall below the salary levels of comparable universities. Fourth, years of experience would serve as a suppressor variable when explaining the variation in faculty salaries. Thus,

the committee followed four avenues of investigation to determine whether salary compression existed at the university.

Eligible Faculty and Required Data

Before the committee members could determine whether salary compression was a problem at the university and, if necessary, begin to design a program to address the salary compression problem, they had to establish who should be included in the analyses and determine what data would be required to conduct the analyses. A faculty member was included in the study if he/she: (a) was a professor, an associate professor, or an assistant professor, (b) was eligible for retirement benefits, and (c) possessed a faculty contract for the 1992-1993 academic year. A total of 129 faculty members were included in the analyses. Instructional staff who did not qualify for this study, such as librarians, were included in another study, which is not presented in this paper.

Five pieces of information were utilized in the study for each participant:

1. The faculty member's nine-month salary for the 1992-93 academic year was recorded. If necessary, the salary figure was adjusted for extra duties performed by the faculty member, such as ten-month service. This information was known and utilized only by the chairperson of a committee.
2. The number of years of teaching experience at Ashland University were utilized. A person had to be receiving retirement benefits for that academic

year in order for that year to be counted. In addition, a year of service for a person on a one-half-time contract was counted as one half of a year.

3. The years of teaching experience while holding academic rank at four-year institutions of higher education other than Ashland University were recorded.
4. A faculty member's rank, i.e., professor, associate professor, or assistant professor, was noted.
5. The faculty member's academic area was recorded. Each of the 129 faculty included in the study was classified into one of four academic areas. The four areas were Business, Education, Sciences, and Arts and Humanities. Due to the small number of faculty in some departments and the cross-over teaching done by many faculty, departmental classifications were not used.

Each faculty member was given an opportunity to verify his/her information, which had been provided to the committee by the Personnel Office of the university.

In addition to the data collected for each faculty member, additional information was required to investigate the existence of salary compression at the university and, if necessary, implement a program to deal with the salary compression problem. This information included the following:

1. The percentage increase in the salary levels of the Ashland University professors for the time period 1971 to 1991 was recorded.

2. The percentage salary increase in the salary levels of university professors nationwide for the time period 1971 to 1991 was calculated.
3. The average salary levels of faculty members at comparable universities for the various academic ranks and academic areas were gathered through a survey conducted by the Business Affairs Office. The President of Ashland University identified the universities that would serve as comparable universities for the study. The information obtained from 5 universities was used to calculate the average salary levels of the comparable institutions of higher education.

University Salary Increases Versus Nationwide Salary Increases

As discussed by McCulley and Downey (1993), if the salary increases given to the faculty at the university were less than the salary increases for faculty nationwide, and that condition persists over several years, salary compression would tend to exist at the university. Thus, the committee compared the percentage salary increase of Ashland University faculty in the professor rank to the percentage salary increase of the faculty in the professor rank nationwide during the period 1971 to 1991. The data for the professor rank were used because they were the only university data available for this time period.

Figures provided to the committee by the university administration indicated that salary increase during the period 1971 to 1991 for the faculty in the professor rank was 163%. The average salary increase for the faculty nationwide in the

professor rank during this time period was 245% (Hamermesh, 1993). Thus, the committee concluded that since the average university professor salary did not keep pace with the average salary of the professors nationwide, a condition was present at the university that could have contributed to salary compression.

Relative Salary Levels

A second factor that may contribute to salary compression is lower salaries at the university than the salaries of comparable schools (McCulley and Downey, 1993). Thus, the committee calculated the average university salary as a percentage of the comparable universities' average salary for each rank in each academic area (see Table 1). The percentages ranged from 78.7% for assistant professors in the Business Area to 99.5% for the assistant professors in the Education Area. Eleven of the 12 categories were at least 6.9% or more below the corresponding average salary for the comparable universities.

Insert Table 1 about here

Thus, the committee concluded that salaries were not competitive with the average salaries of comparable universities. As suggested by McCulley and Downey (1993), the existence of noncompetitive salaries at the university may have led to the existence of salary compression.

Relationship Between Experience and Salary

If professional maturity, i.e., years of experience, has been adequately compensated by the university, a positive relationship should exist between the years of experience and salary. If the level of compensation for years of experience had not kept pace with the market increases and the university hired new faculty at or near the competitive salary level, salary compression may have resulted. Such a condition would produce low positive or even negative correlation coefficient values between the faculty members' years of experience and salaries for the various academic ranks in the four academic areas.

Thus, the committee calculated correlation coefficient values to measure the degree of linear relationship between the faculty members' salaries and their years of full-time teaching experience at institutions of higher education. It is important to consider, as discussed by McCulley and Downey (1993), that heterogeneous grouping of faculty in such a correlation analysis may mask the salary compression effect. Therefore, the committee calculated a correlation coefficient value for each of the three academic ranks in each of the four academic areas (see Table 2).

Insert Table 2 about here

The correlation coefficient values ranged from -.600 to +.440 for the 12 faculty groups. It is important to note that one half of the correlation coefficient

values were negative. Thus, in one half of the faculty groups, faculty with relatively high salary levels had less teaching experience in institutions of higher education than did the faculty members with lower salaries. These results, again, gave support to the view that salary compression was a problem at the university.

Salary Compression and Suppressor Effect

In a study by McCulley and Downey (1993), the number of years of service by faculty members acted as a negative suppressor in the regression analysis. They interpreted this negative suppressor effect as salary compression. Thus, the committee explored the possibility that years of teaching experience served as a negative suppressor variable when explaining the variation in faculty salaries.

To determine if years of experience served as a suppressor variable, a linear combination approach proposed by Tzelgov and Henik (1991) was used. This procedure requires two sets of variables to be formed. In this study the first set, which is referred to as the predictor set, consisted of the faculty members' academic ranks and academic areas. The faculty members' ranks were represented by a variable in which 4, 3, and 2 represented professors, associate professors, and assistant professors, respectively. The academic area consisted of a series of four dummy variables with each one of the four dummy variables representing one of the four academic areas.

The second set, which was referred to as the suppressor set, consisted only of the faculty members' years of teaching experience in institutions of higher education.

The faculty members' salaries served as the criterion variable for both the predictor set and the suppressor set.

Suppression is present if the following inequality exists:

$$1 - \frac{r_{ps}}{k} > 1 - r^2_{ps}$$

where

r_{ps} = the correlation between the predictors set and suppressors set.

k = ratio of the correlations of the predictor set and the suppressor set with the criterion.

The calculation was as follows for the university data:

$$1 - \frac{.65}{\left(\frac{.86}{.45}\right)} > 1 - .65^2$$

$$.66 > .58$$

Since the inequality was in the expected direction, the analysis indicated that the number of years of experience was acting as a suppressor.

If the suppressor effect was negative, Darlington (1968) and Tzelgov and Stern (1978) stated that the correlation between the predictors and the suppressor would be greater than the ratio of the correlation between the suppressor and criterion and the correlation between the predictors and the criterion. That is:

$$r_{ps} > 1/k.$$

Since r_{ps} (.65) was greater than 1/k (.52), the suppressor effect was negative.

McCulley and Downey (1993) argue that when the variable of faculty years of experience does act as a suppressor in analyzing salary levels, salary compression is present. Thus, the committee concluded that additional evidence had been provided to support the view that salary compression existed at the university.

Based on the results of the committee's investigation into whether salary compression was present at the university, the committee concluded that such a problem did indeed exist. Therefore, the committee set about the task of designing a program, which was referred to as the Faculty Consistency Pay Program, that would address the salary compression problem.

Consistency Pay Program

The Faculty Consistency Pay Program was designed to deal with two of the problems that contributed to faculty salary compression at the university. One problem was the gap between the average salaries of the university faculty members in the various academic areas and the corresponding faculty members' salaries at the comparable universities. The second problem addressed by the program was the lack of compensation for years of experience at the university, that is, the loyalty tax incurred by the faculty who have remained with the university.

Therefore, the Faculty Consistency Pay Program was designed to: (a) close the gap between the average salaries of the university faculty members and the faculty members at the comparable universities, and (b) financially reward the faculty for years of service to the university.

In addition to these two goals, the committee believed that the program should: (a) not increase the number of faculty in a given academic area with higher salaries than the faulty members in the next highest academic rank; (b) be easily understood by the faculty, (c) be simple to implement; and (d) be strongly supported by the faculty and administration.

Program Design

Five steps were followed to calculate the amount of money that each faculty member would receive through the Faculty Consistency Pay Program.

Step one. The average salary for the university faculty at each rank in each academic area was calculated. Each of the 12 average salary figures was referred to as the Mean University Salary for the given rank and academic area.

Step two. The average salary of the faculty at the comparable universities was calculated for each of the 12 combinations of ranks and academic areas. Each of these 12 average salary figures was referred to as the Mean Market Salary.

Step three. The Mean University Salary figure was subtracted from the Mean Market Salary figure for each of the 12 faculty classifications. The difference between the two mean salary figures was multiplied by the number of faculty in that group. This product, which represented the total dollar figure that the university faculty group would need to increase the Mean University Salary to equal the Mean Market Salary, was referred to as the Required Consistency Amount.

Step four. The amount of money that a given faculty member would receive

was based on the ratio of his/her number of years of experience at Ashland University to the total years of experience at Ashland University of the faculty in his/her rank and academic group. This ratio was multiplied by the Required Consistency Amount for his/her faculty group. This product was referred to as the faculty member's Consistency Figure.

Step five. A faculty member's Consistency Figure was subjected to three restrictions. The three restrictions were:

1. The Consistency Figure could not exceed 20% of his/her salary.
2. The Consistency Figure could not exceed $9,000.
3. The faculty member's Consistency Figure plus his/her salary could not exceed 95% of the lowest salary plus Consistency Figure of a faculty member in the next highest rank. This restriction, obviously, did not apply to the professor rank.

The first and second restrictions were used to limit the impact that the Faculty Consistency Pay Program could have on any one faculty member's salary. Although the amount of the restrictions were somewhat arbitrary, the committee believed that some limit had to be imposed on the amount that any one faculty member could receive. The limits were set at levels the committee thought would be acceptable to the faculty, administration, and the Board of Trustees. The third restriction was used to prevent a faculty member's salary from increasing to a level that would be higher than the lowest salary in the next highest academic rank. Once the Consistency

Figure was subjected to the restrictions, it was referred to as the Adjusted Consistency Figure.

A Hypothetical Example. This procedure of distributing the Required Consistency Amounts can best be understood with the aid of a hypothetical example. To illustrate, assume that an associate professor in the Arts and Humanities Area had a salary of $37,500 and 13 years of teaching experience at Ashland University. The amount of money that this faculty member would have received through the Faculty Consistency Fund was calculated as follows:

Step 1: The Mean University Salary figure, which represented the average salary for the 12 associate professors at the university, was $35,569.

Step 2: The Mean Market Salary figure, which was the average salary for the associate professors at the 5 comparable universities, was $39,480.

Step 3: The Required Consistency Amount figure was calculated by first subtracting the Mean University Salary Figure ($35,569) from the Mean Market Salary Figure ($39,480). The difference between these two figures ($3,911) was multiplied by the number of associate professors in the Art and Humanities Area (12). The product of $3,911 and 12, which was $46,932, represented the Required Consistency Amount.

Step 4: The ratio of the years of experience for the associate professor used in this example (13) and the total years of experience for the 12 associate professors (185), was 13/185. This ratio was multiplied by the Required

Consistency Amount ($46,932) to obtain the Consistency Figure of $3,298.

Step 5: The three restrictions were applied to the faculty member's Consistency Figure. Since the faculty member's Consistency Figure of $3,920 was less than 20% of her salary ($7,500), Restriction 1 did not alter the Consistency Figure. The Consistency Figure of $3,298 was less than $9,000. Thus, Restriction 2 did not change the Consistency Figure. The lowest salary for the professors in the Arts and Humanities Area, after their salaries had been adjusted, was $44,492. Ninety-five percent of this minimum figure was $42,267. Since the associate professor's salary plus consistency figure, which was ($37,500 + $3,298) $40,798, did not exceed 95% of the lowest professor's salary ($42,267), Restriction 3 did not decrease the faculty member's Consistency Figure. Thus, the Adjusted Consistency Figure for this associate professor was $3,298.

Implementation. The total cost of the Faculty Consistency Pay Program for the 129 faculty was estimated to be $433,742. Before such a program and financial commitment could be made, however, the Welfare Committee had to secure support from various university groups and committees. The chairperson of the Welfare Committee presented the findings of the committee regarding the existence of salary compression at the university to the Executive Committee of the faculty governing body. After the Executive Committee gave their initial support to the plan, similar

presentations were given to the President of Ashland University and the Deans' Council.

Upon receiving the support of the President and the Deans' Council, the Welfare Committee Chairperson presented the evidence regarding the existence of salary compression at the university and explained the Faculty Consistency Pay Program to the Faculty Forum, which is the faculty governing body of the university. During a three-week period, faculty were encouraged to ask questions or express their views to their representatives on the Faculty Welfare Committee. The Chairperson of the committee was also on call to answer any questions that various departments across the university may have wanted answered.

After that three-week period, a meeting of the faculty was held to provide the faculty, once again, with the opportunity to discuss the plan. Upon receiving unanimous support from the Faculty Executive Committee, the President of the University requested that the plan be presented to the Board of Trustees. During their March meeting, the Board of Trustees approved the Faculty Consistency Pay Program. The Board indicated that the program was to be implemented over a two-year period with 75% of the required monies to be provided during the 1993-94 academic year.

A form was enclosed in each faculty member's 1993-94 contract indicating how his/her adjusted consistency figure was calculated. In addition, the form listed

the amount of consistency money that the faculty member would receive during the first and second year of the program.

Program Evaluation

The Welfare Committee evaluated the Faculty Consistency Pay Program by reviewing the: (a) correlation coefficient values for the faculty members' years of experience and adjusted salary levels; (b) comparisons of the adjusted salary levels of the Ashland University faculty to the salary levels of the faculty at the comparable universities; (c) test used to determine if the years of experience variable served as a suppressor variable when explaining the variation in the adjusted salaries; and (d) results of a survey of the faculty and the Deans' perceptions of the program after its implementation.

Relative Salary Levels.

To reduce the impact of salary compression, the program should have moved the salary levels of each of the 12 faculty groups closer to the average salary levels of the comparable universities. Thus, after the program was implemented, the ratio of the average salary for each university faculty group to the average salary of the corresponding faculty group at the comparable universities, which was expressed as a percentage, should have been closer to 100% than it was before the implementation of the program. Table 3 contains the percentages for each of the 12 faculty groups after, as well as before, the program was implemented.

Insert Table 3 about here

In each of the 12 faculty groups the average salaries of the university faculty moved closer to the average salaries of the faculty at the comparable universities. For each academic rank in the Science, Education, and Arts and Humanities Areas, the difference between the average university salary and the corresponding average salary for the comparable universities was less than 6%. Even for each of the three ranks in the Business Area, substantial progress was made in moving the average salaries of the university faculty closer to the average salaries of the comparable universities. It should be noted that the application of the three restrictions to faculty consistency figures prevented the average university salaries from reaching the average salaries of the comparable universities.

Years of Experience and the Adjusted Salaries.

As noted earlier in Table 1 of this paper, many of the correlation coefficient values for the faculty members' years of experience and salaries were weak positive or even negative values for the various groups of faculty. If the Faculty Consistency Pay Program did indeed reduce the level of salary compression at the university, the correlation coefficient values for the faculty members' years of experience and adjusted salary levels should have moved to the positive end of the scale.

Table 4 contains the correlation coefficient values for the 12 faculty groups after, as well as before, the consistency pay program was implemented. For each faculty group, the first correlation coefficient value measures the degree of linear relationship between the faculty members' years of experience and unadjusted salaries, that is, their salaries before the program was implemented. The second correlation coefficient value measures the degree of linear relationship between the faculty members' years of experience and salaries after the program was instituted.

Insert Table 4 about here

Except for one group, the correlation coefficient values moved towards the positive side of the scale after the program was implemented. For many groups the changes in the correlation coefficient values were quite dramatic. For example, the correlation coefficient value changed from -.523 to +.667 for the professors in the Arts and Humanities Area.

Only for the associate professors in the Business Area did the correlation coefficient value not move towards the positive end of the scale. The reason for this outcome was the presence of two professors in that rank who had a large number of years of experience at other universities and only a total of one year at Ashland University. Thus, when the salary of the faculty members in this group were increased based on their experience at Ashland University, the salaries of the two

previously-mentioned associate professors changed very little, while the salaries of the other associate professors increased substantially. This result may indicate that these two associate professors were hired at salary levels below the market level.

After reviewing the correlation coefficient values, the committee concluded that the program had the expected impact on the relationship between the faculty members' years of experience and salary levels. That is, the relationship between years of experience and salary became more positive.

Salary Compression and Suppressor Effect.

If the program reduced the impact of salary compression, the variable of years of experience should not serve as a suppressor variable with the adjusted salaries serving as the criterion variable. Thus, the test for suppressor variables, which had previously been applied to the original salary figures, was used to test the new salary figures.

As before, the suppressor set consisted of the faculty members' years of experience at institutions of higher education; and the predictor set contained the faculty rank and the academic area variables. The criterion variable, however, consisted of the faculty members' salaries plus consistency payments, i.e., the adjusted salaries.

Since the predictor and the suppressor sets did not change from the initial analysis, the correlation between the two sets (r_{ps}) remained at .65. The correlation of the predictor set and suppressor set with the new criterion variable were .91 and

.63, respectively. Thus, the calculation of the inequality was as follows:

$$1 - \frac{.65}{\left(\frac{.91}{.63}\right)} < 1 - .65^2$$

$$.55 < .58$$

The inequality was in the direction that would have indicated no suppressor effect. Thus, after the consistency pay adjustments, the years of service variable did not serve as a suppressor variable.

Survey of Faculty Perceptions.

The Welfare Committee administered a survey to gauge the faculty and the Deans' perceptions of the Faculty Consistency Pay Program after it was implemented. The survey was distributed at the beginning of the 1993-94 academic year to 30 faculty members, who were randomly selected from the 129 faculty included in the program. The four university Deans were also asked to complete a slightly modified survey form.

Twenty-nine faculty members completed and returned the form, which was a 97% return rate. The one faculty member who did not participate in the survey expressed the view that she was satisfied with her salary and did not have enough knowledge about salaries or the program to respond. All four Deans completed the survey. The quantitative results of the survey are listed in Tables 5 and 6.

Insert Tables 5 and 6 about here

Question 1. The first question on the survey measured the perceptions of the faculty and Deans regarding their understanding of the Faculty Consistency Pay Program on a scale of 1 to 5. The mean ratings given by the faculty and Deans were 4.00 and 5.00, respectively. If the respondents rated their understanding below 3, they were asked what could have been done to increase their understanding. The one faculty member who rated his understanding at 2, expressed the view that it would have been helpful to have his department chairperson explain the program.

Question 2. The respondents were asked to indicate whether the program was implemented in a manner that was consistent with the explanation of the program by the Welfare Committee. Every faculty member and Dean indicated that it was implemented in the manner consistent with the procedures outlined by the Committee.

Question 3. The third question solicited from the faculty their perceptions on a scale of 1 to 5 how effective the program dealt with the following four issues:

1. Objectivity in the manner in which the program was implemented.
2. Increased faculty salaries to levels that were more competitive with salaries of the corresponding ranks and academic areas in the comparable universities.
3. Improved compensation for years of experience at the university.

4. Made the faculty member feel that he/she was more fairly compensated by the university.

The fourth item was modified to solicit the Deans' views on whether the program made their faculty feel that they were more fairly compensated by the university.

The faculty responses produced mean values that were at least 4.28 for each of the four issues. The mean response values for the Deans were even higher. The lowest mean was 4.5 for any of the four issues.

Question 4. The fourth question allowed the respondents to give additional comments that they might have wanted to express under the following three general areas: (a) the explanation of the program to the faculty and the Deans, (b) the implementation of the program, and (c) the impact of the program on the faculty and his/her colleagues. The Deans were asked to restrict their comments under the last heading to the faculty members in their academic area.

With regard to the explanation of the program, 23 faculty members, which was 83% of the sample, wrote comments that could be classified as indicating that they believed the program was well explained. Three of the four Deans made similar comments.

Twenty out of the 29 faculty members who responded to the survey had favorable comments on how the program was implemented. The most frequent comments were "well done," "fairly implemented," and "expeditiously done."

Three of the Deans provided positive comments on the implementation of the program. They thought the implementation was "smooth" and "well done."

The comments received from the faculty members regarding the impact of the program on them and their colleagues were more varied than the comments written under the other two headings. The most frequently given positive comments, which were given by 86% of the faculty, included: (a) "increased morale," (b) "feel cared for," (c) "improved attitude," (d) "increased feeling of allegiance to the university," and (e) "increased perception of fairness." Comments expressing concern with the program, which were each written by one or two respondents, were: (a) "the fund needed more money," (b) "will not see much more effort from the faculty," (c) "university may not be able to afford the raises," (d) "not everyone got money," and (e) "now merit pay is needed."

The comments given by the Deans with respect to the impact of the program on their faculty were grouped under two headings. They expressed the view that the program was "good for faculty morale," and it was "favorably received by the faculty" in their academic areas.

Based on the analyses of the faculty and Deans' surveys, the committee believed that the faculty were very supportive of the program after its implementation. The faculty and the Deans expressed the view that the program was well explained and implemented as outlined to them. The perceptions of the faculty and Deans

regarding the impact of the program were also quite positive. They expressed the view that through the program the university was fair, positive, and showed concern.

Conclusion

Salary compression is a problem that many institutions of higher education have experienced. If the problem is not confronted by an institution, it faces the risk of losing its best faculty in high market demand areas, lowering faculty morale, or even encountering an age-discrimination lawsuit.

The approach presented in this paper described not only the analyses used by the Welfare Committee at Ashland University to determine whether salary compression was a problem at the university, but also the system that was designed to address the salary compression problem. Through the Faculty Consistency Pay Program the university administration and Welfare Committee could determine the manner in which the money would be distributed to each faculty member, as well as the total amount of money needed to address the salary compression issue.

The implementation of this program at Ashland University reduced salary compression by: (a) moving faculty salaries to levels that were more competitive with the market and (b) by financially compensating faculty for years of experience at the university. The responses obtained from a survey of the four Deans and a random sample of faculty indicated that the program was considered to be objective and implemented in a fair manner. In addition, the faculty expressed the general view that

the program made them feel that the university cared about them and it had a positive influence on their morale.

Administrators and faculty at other universities who want to address the issue of salary compression may want or need to modify the procedures and the program presented in this paper. They should, however, find these procedures and program helpful in their efforts to counter the negative impacts of salary compression.

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Table 1

Ashland University Faculty Salaries as a Percentage of Faculty Salaries at the Comparable Universities

	Academic Rank		
	Full Professor	Associate Professor	Assistant Professor
Academic Area			
Business	81.5%	79.5%	78.7%
Education	93.0%	93.1%	99.5%
Science	86.1%	88.4%	86.0%
Arts and Humanities	87.1%	90.1%	89.5%

Table 2

Correlation Coefficient Values for Years of Experience and Ashland Universitiy Faculty Salaries

	Academic Rank		
	Full Professor	Associate Professor	Assistant Professor
Academic Area			
Business	-.008	.128	.009
Education	-.600	-.185	-.456
Science	-.480	.385	.382
Arts and Humanities	-.523	.376	.440

Table 3

Ashland University Faculty Salaries Before and After the Implementation of the Program as a Percentage of Faculty Salaries at the Comparable Universities

	Academic Rank		
	Full Professor	Associate Professor	Assistant Professor
Academic Area			
Business			
Before	81.5%	79.5%	78.7%
After	94.7%	87.2%	85.2%
Education			
Before	93.0%	93.1%	99.5%
After	100.0%	98.3%	99.9%
Science			
Before	86.1%	88.4%	86.0%
After	98.3%	97.0%	94.0%
Arts and Humanities			
Before	87.1%	90.1%	89.5%
After	99.9%	98.6%	98.0%

Table 4

Correlation Coefficient Values for Years of Experience and Ashland University Salaries Before and After the Implementation of the Program

	Academic Rank		
	Full Professor	Associate Professor	Assistant Professor
Academic Area			
Business			
Before	-.008	.128	.009
After	.300	-.022	.371
Education			
Before	-.600	-.185	-.456
After	-.129	.549	-.098
Science			
Before	-.480	.385	.382
After	-.133	.806	.736
Arts and Humanities			
Before	-.523	.376	.440
After	.667	.801	.546

Table 5

Faculty Survey Responses

Questions	Responses			
	Number of Respondents	Mean	Standard Deviation	95% Confidence Limit
Question 1	29	4.00	.89	3.66 to 4.34
Question 2	29	1.00*	.00	---
Question 3a	29	4.55	.57	4.33 to 4.77
Question 3b	25	4.28	.79	3.95 to 4.61
Question 3c	27	4.37	.88	4.02 to 4.72
Question 3d	26	4.35	.89	3.99 to 4.71

*Since Question 2 required a yes or no response, the mean value of 1 indicated all of the respondents marked yes.

Table 6

Dean Survey Responses

Questions	Responses		
	Number of Respondents	Mean	Standard Deviation
Question 1	4	5.00	.00
Question 2	4	1.00[a]	.00
Question 3a	4	4.75	.50
Question 3b	4	4.50	.58
Question 3c	4	5.00	.00
Question 3d	4	4.75	.50

[a]Since Question 2 required a yes or no response, the mean value of 1 indicated all of the respondents marked yes.